

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS
NOV 05 2003
DAVID J. MALAND, CLERK

UNITED STATES OF AMERICA

VS.

1. TIMOTHY J. BEVERLEY
2. GREGORY A. HOPPER

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JUDGE _____

INDICTMENT

THE UNITED STATES GRAND JURY CHARGES:

I. INTRODUCTION

At all times material to this Indictment:

A. Defendants

1. TIMOTHY J. BEVERLEY ("BEVERLEY") was a resident of Smith County, in the Eastern District of Texas. BEVERLEY was involved in the purchase, sale, brokering, repair and refurbishment of aircraft. BEVERLEY conducted business through one or more entities, including (but not limited to):

Tyler Jet, L.L.C.,
Tyler Jet Aircraft Sales, Inc.,
Tyler Jet Aircraft Sales, Ltd.,
Tyler Jet Completions, Inc.,
Executive Aviation, Inc.,
Powerhouse Corporation,
TJ Motorsports, Inc.,
Beverley Family Ltd.,
Badger Air Inc.,
TJB Holdings, Ltd., and
TJB Management, Inc.

BEVERLEY was an officer or associated with these entities.

2. GREGORY A. HOPPER ("HOPPER") was a resident of Smith County, in the Eastern District of Texas. He was BEVERLEY's associate and worked and served as an officer for one or more of the entities which BEVERLEY controlled, operated and/or owned. He served as Tyler Jet, L.L.C.'s chief financial officer and provided expertise in financial affairs for the business entities, to include interacting with financial institutions when an entity needed funds.

B. Business Entities Related to Defendants

3. Tyler Jet, L.L.C. was a Texas limited liability corporation, whose registered agent and member manager was BEVERLEY. Tyler Jet, L.L.C.'s address was 209 Airport Drive, Tyler, Texas, 75704-9201, in the Eastern District of Texas. Tyler Jet Aircraft Sales, Inc. was a Texas corporation. In December 2000, Tyler Jet Aircraft Sales, Inc. was converted to a limited partnership named Tyler Jet Aircraft Sales, Ltd. BEVERLEY was the president of both entities. The address for Tyler Jet Aircraft Sales, Ltd. was 209 Airport Drive, Tyler, Texas, 75704-9201, in the Eastern District of Texas. These entities were interchangeably known as "Tyler Jet" and will be so identified in this Indictment.
4. Executive Aviation, Inc. was a Texas corporation also doing business under the assumed name of Tyler Jet Aviation. BEVERLEY was listed as the corporation's registered agent for service of process, and as its president and a director. HOPPER was listed as the secretary and treasurer of the corporation. The address of Executive Aviation, Inc. was 209 Airport Drive, Tyler, Texas, 75704-9201, in the Eastern District of Texas.
5. Powerhouse Corporation ("Powerhouse") was a Delaware corporation whose president was BEVERLEY.

6. TJ Motorsports, Inc. was a Delaware corporation. This corporation was involved with the operation of a National Association for Stock Car Auto Racing ("NASCAR") racing team in the late 1990s and 2000. BEVERLEY was the owner and operator of this entity.
7. Badger Air, Inc. ("Badger Air") was a Delaware corporation. This company was incorporated in February 1994, and Ron Sadoff was the initial director. BEVERLEY was identified as the corporation's president in a document filed with the Delaware Secretary of State. HOPPER was identified as the corporation's president, secretary, treasurer, and chief financial officer in documents filed with the Delaware Secretary of State.
8. TJB Management, Inc. was a Texas corporation. Its address was 209 Airport Drive, Tyler, Texas, 75704-9201, in the Eastern District of Texas. BEVERLEY was the corporation's president. HOPPER was the secretary and treasurer.
9. Beverley Family Ltd. was a Texas limited partnership. Its address was 209 Airport Drive, Tyler, Texas, 75704-9201, in the Eastern District of Texas. BEVERLEY was the general partner and HOPPER was the registered agent.

C. Involved Financial Institutions

10. First Source Bank was a financial institution in South Bend, Indiana that loaned money for the purchase and refurbishment of aircraft. The funds of this financial institution were insured by the Federal Deposit Insurance Corporation.
11. Bombardier Capital ("Bombardier") was a financial institution with offices in Weston, Florida that loaned money for the purchase and refurbishment of aircraft.
12. American Bank was a financial institution in Fond du Lac, Wisconsin that loaned money for the purchase and refurbishment of aircraft. The funds of this financial institution were

insured by the Federal Deposit Insurance Corporation.

13. Provident Bank was a financial institution in Cincinnati, Ohio that loaned money for the purchase and refurbishment of aircraft. The funds of this financial institution were insured by the Federal Deposit Insurance Corporation.
14. Heller Financial Leasing, Inc. ("Heller Financial") was a financial institution in Chicago, Illinois that loaned money for the purchase and refurbishment of aircraft.
15. Boeing Capital Corporation ("Boeing") was a financial institution that loaned money for the purchase and refurbishment of aircraft.
16. BancFirst, Oklahoma City ("BancFirst") was a financial institution in Oklahoma City, Oklahoma. Insured Aircraft Title Service and Insured Escrow Service used BancFirst as their bank relevant to all transactions described in this Indictment.
17. Bank of America was a financial institution. Bank of America acquired financial institutions formerly known as North Carolina National Bank ("NCNB") and NationsBank.
18. Regions Bank was a financial institution with offices in Tyler, Texas.
19. Citizens 1st Bank Texas was a financial institution with offices in Tyler, Texas.

D. Other Involved Individuals and Entities

20. Richard Love ("Love") was an individual residing in Florida. He was the president of USA Insurance and USA Aviation, both located in Florida. At BEVERLEY's request, Love borrowed funds to purchase and repair an aircraft as set forth below.
21. Ronald Sadoff ("Sadoff") was an individual residing in Wisconsin. He was part owner of a business called Badger Liquor. Badger Liquor had its principal offices and place of business in Wisconsin. At BEVERLEY's request, Sadoff borrowed money to fund Tyler Jet's

purchase and repair of an aircraft as set forth below.

22. Thompson Tractor was a business with its principal office and place of business in Alabama. It was involved in the sale and leasing of heavy equipment. At BEVERLEY's request, Thompson Tractor loaned funds to Tyler Jet for the purchase of an aircraft as set forth below. Mark Froehlich ("Froehlich") was the treasurer for Thompson Tractor.
23. Sugar Land Jet Center ("SLJC") was a business in Sugar Land, Texas. George Tilton ("Tilton") was the president of this business. SLJC, while in operation, sold, managed, chartered, maintained, repaired and refurbished aircraft. At HOPPER's, SLJC prepared invoices used by Tyler Jet for funding requests to financial institutions as set forth below.
24. Donald Vecchie ("Vecchie") was an individual residing in Florida. He was president of Leisuretime, Inc. ("Leisuretime"), and his children operated Refreshment Services, Inc. ("RSI"), both of which were businesses involved in the refreshment services industry. Vecchie was involved in two aircraft transactions with Tyler Jet as set forth below.
25. Insured Aircraft Title Service ("IATS") was a corporation and had its principal offices and place of business in Oklahoma City, Oklahoma. As set forth below, IATS provided a service to entities who bought and sold aircraft, as well as to those who brokered these sales, to include conducting title searches and recording documents relating to aircraft sales and purchases at the headquarters of the Federal Aviation Administration in Oklahoma City, Oklahoma. Insured Escrow Services ("IES") was a separate legal entity in Oklahoma City, Oklahoma that provided escrow services to IATS to assist in transactions conducted by IATS. These entities were interchangeably known as "IATS" and will be so identified in this Indictment.

26. Aircraft R Us was a business that sold an aircraft to USA Aviation. Christian Esquino was associated with Aircraft R Us. Christian Esquino utilized an entity identified as ARG Investment Corporation to receive funds from the transaction with USA Aviation.
27. Gulfstream Aerospace Corporation ("Gulfstream") was a corporation involved in the manufacture and sale of aircraft. As set forth below, it was involved in the sale of two aircraft to Tyler Jet.
28. Sogerep was a Saudi Arabia based company. As set forth below, it sold two aircraft to Tyler Jet.
29. Titan Wheel International, Inc. ("Titan") was a corporation. As set forth below, it sold an aircraft to Tyler Jet.
30. The Federal Aviation Administration ("FAA") was the federal agency primarily charged with issuing regulations pertaining to the operation of aircraft within the United States, as well as the enforcement of those regulations. The FAA maintained a central database which kept records of aircraft titles and which allowed parties to record liens and security interests in aircraft and their engines and parts.

II. CHARGED OFFENSES

Count 1

Violation: Title 18, United States Code, Section 371
(conspiracy to commit wire fraud in violation of 18
U.S.C. § 1343)

31. The Grand Jury realleges and incorporates by reference paragraphs 1 through 30 above into Count 1 below, as if fully set forth therein.
32. On or about the dates listed below, in Smith County, in the Eastern District of Texas, BEVERLEY and HOPPER, Defendants herein, did knowingly, willfully, and unlawfully combine, conspire, confederate and agree together and with others, both known and unknown to the Grand Jury, to commit offenses against the United States, namely, having knowingly devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, for purposes of executing the scheme, did transmit and cause to be transmitted in interstate and foreign commerce writings, signs, signals, and sounds in violation of Title 18, United States Code, Section 1343.

A. The Manner and Means of the Conspiracy

33. In the Eastern District of Texas, the Defendants herein, and others both known and unknown to the Grand Jury, conceived and executed a scheme to obtain money by fraudulent means to fund business activities and for personal purposes. In order to get the money to which they were not otherwise entitled, Defendants herein would engage in conspiratorial activity to include the use of interstate wires to defraud others involving the purchase, sale, financing and repair of aircraft as follows:

- a. This conspiracy involved BEVERLEY and HOPPER, either individually or through a business entity, seeking to borrow funds or have funds borrowed on their behalf for the purchase of an aircraft and using part of the borrowed funds for purposes that were unknown to and unauthorized by the lender and/or the borrowing party. Specifically, BEVERLEY and HOPPER, either individually or through a business entity, would misrepresent to the lender and/or the borrowing party the purchase price of the aircraft. They informed the lender and/or the borrowing party that the purchase price of the aircraft was a certain set amount, and they therefore needed to borrow that amount, when in fact the purchase price was less than the amount represented. Additionally, to induce a third party borrower to borrow the funds, BEVERLEY and HOPPER, either individually or through a business entity, stated and represented the aircraft would be refurbished and repaired, and would be resold within a relatively short period of time. It was also represented to the third party borrower or corporate lender that they would share in the proceeds of the sale. When the loans were funded, however, BEVERLEY and HOPPER, either individually or through a business entity would purchase the aircraft with a portion of the loaned funds, and divert the remainder to their own business and personal purposes, unknown to the lender and the borrowing party.
- b. The conspiracy also involved BEVERLEY and HOPPER, either individually or through a business entity, borrowing funds for the purchase of an aircraft and then fraudulently releasing liens that had been filed to secure the loan, leaving the lender unsecured in the transaction. Upon the fraudulent release of said lien, the aircraft

were sold or refinanced, generating funds used by BEVERLEY and HOPPER for their own business and personal purposes.

- c. The conspiracy also involved BEVERLEY and HOPPER, either individually or through a business entity, purchasing aircraft or agreeing to broker the sale of an aircraft and then not paying the aircraft owner upon the sale of said aircraft. BEVERLEY and HOPPER then used the aircraft sale proceeds for their own business and personal purposes.
- d. The conspiracy also involved BEVERLEY and HOPPER, either individually or through a business entity, agreeing to broker the sale of an aircraft. BEVERLEY and HOPPER, either individually or through a business entity, then fraudulently registered the ownership of the aircraft in a business entity and then used the aircraft for a loan. The loan proceeds were then paid to the business entity for their own business and personal purposes.
- e. The conspiracy also involved BEVERLEY and HOPPER, either individually or through a business entity, providing a lender an estimate for the repair or refurbishment of an aircraft for the purpose of securing a loan for such activity. Upon the funding of the loan, the specified repair or refurbishment did not occur. BEVERLEY and HOPPER, either individually or through a business entity, diverted the loan proceeds for their own business and personal purposes.

B. Overt Acts in the Conspiracy

The ATR 42, Serial Number ("S/N") 168, N168WA [Richard Love/First Source Bank]

34. In early October 1999, BEVERLEY placed a telephone call to Love, who was in Florida at

the time. During this call, BEVERLEY requested Love enter into an agreement to finance the purchase of a 1989 ATR 42-320 Aerospatiale multi-engine, turboprop 42 passenger aircraft (hereinafter "ATR"). During this call, BEVERLEY represented to Love that BEVERLEY could purchase the aircraft for \$2,800,000.00, that it needed repairs which would cost \$200,000.00, and that the ATR could then be sold for approximately \$4,300,000.00. BEVERLEY further represented to Love that Tyler Jet was up against its credit limit and therefore a third party borrower (such as Love) was needed to complete the transaction. BEVERLEY further proposed that, if Love would borrow the necessary funds for the purchase of the ATR and its repair, Love would receive a portion of the sales proceeds once the ATR was repaired and sold to a third party. BEVERLEY further represented to Love that he had already arranged for financing for the ATR purchase with First Source Bank.

35. Also in early October 1999, BEVERLEY, a representative of First Source Bank and Love had a joint phone conference. It was confirmed that Tyler Jet was fully extended on its credit limit at First Source Bank. It was agreed that Love would borrow funds from First Source Bank, and that the funds would be used to purchase the ATR; and that the loan would be for the amount of \$2,800,000.00 for the purchase of the aircraft and \$200,000.00 for the necessary repairs before the resale of the aircraft. BEVERLEY, Love and the representative of First Source Bank further agreed during this phone conversation that the ATR would be collateral for the loan. Love provided a power of attorney to First Source Bank, to allow a representative of that Bank to act for Love and USA Aviation. The loan was for the period of six months, subject to renewal.

36. On or about October 8, 1999, HOPPER sent a document by telephone facsimile transmission to First Source Bank, stating he understood the loan of \$3,000,000.00 would be financed through Love, and further stating the initial funding of the loan would be for \$2,800,000.00 for the purchase of the ATR, and that \$200,000.00 would be held back for improvements on the aircraft.
37. On or about October 14, 1999, at HOPPER's direction, a specification sheet was sent by telephone facsimile transmission from Tyler Jet's offices in Tyler, Texas to First Source Bank, describing the ATR and its purported equipment.
38. On or about October 15, 1999, at HOPPER's direction, an aircraft title report on the ATR was sent by telephone facsimile transmission to First Source Bank.
39. On or about October 15, 1999, Love sent copies of USA Aviation Sales, Inc.'s corporate resolution and power of attorney, along with Love's personal guaranty of payment, by telephone facsimile transmission to First Source Bank to facilitate the loan from First Source Bank to USA Aviation.
40. On or about October 18, 1999, HOPPER caused to be sent by telephone facsimile transmission a document to an employee of USA Aviation. This document provided proposed language to be used in a letter to First Source Bank from USA Aviation requesting the financing of the \$3,000,000.00 loan.
41. On or about October 18, 1999, Love caused to be sent by telephone facsimile transmission a letter to First Source Bank, utilizing the language proposed by HOPPER, requesting the funding of the \$3,000,000.00 loan.
42. On or about October 25, 1999, First Source Bank authorized the funding of the loan to USA

Aviation in the total amount of \$3,000,000.00. This sum was wire transferred from First Source Bank to IATS's bank account at BancFirst.

43. In or about October 1999, HOPPER directed IATS to distribute the loan proceeds as follows:

\$1,225,000.00 to TJ Motorsports;
\$1,075,000.00 to ARG Investments; and
\$500,000.00 to an escrow account at IATS under the number 944KM.

Although BEVERLEY represented to First Source Bank and to Love that the amount of \$2,800,000.00 would be paid to the seller of the ATR to purchase the aircraft, only \$1,575,000.00 was paid to the seller from borrowed funds. The \$1,225,000.00 transferred to TJ Motorsports was not used for the purchase of the ATR.

44. On or about October 25, 1999, an aircraft bill of sale stating that USA Aviation purchased the ATR from Aircraft R Us was filed with the FAA.
45. On or about October 25, 1999, IATS directed BancFirst to transfer the funds by wire, in accordance with HOPPER's instructions. On or about that same date, BancFirst wired the funds in accordance with IATS's directions and HOPPER's instructions.
46. On or about October 25, 1999, HOPPER caused a document to be sent by telephone facsimile transmission from Tyler Jet to IATS, advising that IATS should not file any documents or release funds to a specified individual until BEVERLEY provided approval.
47. On or about October 27, 1999, First Source Bank caused an aircraft security agreement and certificate registering the title of the ATR in USA Aviation's name to be filed with the FAA.
48. On or about November 24, 1999, HOPPER contacted IATS and directed the remaining \$200,000.00 from the USA Aviation loan to be wire transferred to Tyler Jet. On this same day, said funds were then wired to a Tyler Jet bank account at Regions Bank in Tyler, Texas.

49. On or about December 13, 1999, HOPPER caused to be sent to IATS by telephone facsimile transmission a letter requesting that IATS inform USA Aviation that the \$3,000,000.00 of funds borrowed by USA Aviation was distributed as follows:

ARG Investment Corporation: \$2,800,000.00; and
Balance held in escrow: \$200,000.00.

This information was false and IATS refused to provide it to USA Aviation.

50. In or about mid-August of 2001, BEVERLEY placed a phone call to Love and requested that USA Aviation provide additional funds for the ATR. BEVERLEY stated the funds were for the purpose of making repairs on the aircraft. BEVERLEY stated that the funds should be wire transferred to SLJC, which was the facility which would (according to BEVERLEY) be performing the repairs.
51. On or about August 14, 2001, Tilton of SLJC sent by facsimile transmission an estimate of repair costs and necessary parts cost for the ATR to HOPPER.
52. On or about August 15, 2001, HOPPER sent by telephone facsimile transmission to First Source Bank the estimate of repair costs on the ATR which had been prepared by SLJC. This estimate was to support the lending of additional funds to USA Aviation for repairs on the ATR.
53. On or about August 15, 2001, HOPPER sent by telephone facsimile transmission a letter to First Source Bank, requesting that the bank approve a loan for Love for an additional \$621,510.00, to be used to make repairs on the ATR.
54. On or about August 23, 2001, based upon BEVERLEY's telephone request, Love sent a letter by telephone facsimile transmission to First Source Bank and requested that it loan an

additional \$500,000.00 on the ATR.

55. On or about August 27, 2001, Tilton of SLJC sent by telephone facsimile transmission a document to Love, describing the cost to repair the ATR.
56. On or about August 28, 2001, Love sent a letter by telephone facsimile transmission to First Source Bank and requested that \$300,000.00 be wire transferred to SLJC. This \$300,000.00 was a portion of the \$500,000.00 loan secured by USA Aviation from First Source Bank.
57. On or about August 28, 2001, acting upon Love's request, First Source Bank wired \$300,000.00 to SLJC's bank account, at Chase Bank of Texas, in Sugar Land, Texas.
58. On or about August 28, 2001, HOPPER told Tilton of SLJC in a phone conversation that \$280,000.00 was needed by Tyler Jet and the funds would be returned to SLJC at a later time. On or about August 28, 2001, BEVERLEY signed a letter and caused it to be sent by telephone facsimile transmission from Tyler Jet to SLJC. This facsimile requested that \$280,000.00 of the \$300,000.00 that had been transferred to SLJC's bank account by First Source Bank on or about August 28, 2001 be wire transferred by SLJC to Tyler Jet's account at Citizens 1st Bank in Tyler, Texas.
59. Acting upon HOPPER's statements and BEVERLEY's request, Tilton caused \$280,000.00 of the \$300,000.00 that SLJC had received to be wire transferred to Tyler Jet's bank account at Citizens 1st Bank. HOPPER and BEVERLEY requested this transfer without the knowledge or consent of Love, USA Aviation, and First Source Bank. In contrast to HOPPER's statements, these funds were never returned.
60. On or about December 5, 2001, HOPPER sent a letter by telephone facsimile transmission to Love, stating that a "C" check and certain maintenance on the ATR were complete, and

requesting that the remaining \$200,000.00 of the \$500,000.00 secondary loan be disbursed to Tyler Jet. In fact, the "C" check and maintenance had not been completed.

Gulfstream II, S/N 23, N7TJ [Thompson Tractor/Heller Financial]

61. In or about June 1999, BEVERLEY placed a phone call to Froehlich, the treasurer for Thompson Tractor, requesting that Thompson Tractor loan Tyler Jet \$5,500,000.00 at the prime interest rate. BEVERLEY represented that he wanted to purchase a Falcon 20, S/N 24, and that this aircraft would serve as collateral on the loan, and BEVERLEY also would give a personal guarantee on the loan. BEVERLEY represented he would sell the aircraft in a short amount of time and repay the loan. Thompson Tractor agreed with this arrangement. In furtherance of the request to receive the loan, BEVERLEY signed an Aircraft Security Agreement and a General Promissory note, setting forth Thompson Tractor's security interest in the Falcon 20, S/N 24, and the loan of \$5,500,000.00.
62. On or about June 14, 1999, HOPPER sent a letter by telephonic facsimile transmission to Froehlich, inquiring as to whether Thompson Tractor would be funding the \$5,500,000.00 loan on that date.
63. On or about June 14, 1999, HOPPER sent a letter by telephonic facsimile transmission to Froehlich, requesting that Thompson Tractor fund the loan and including wiring instructions.
64. On or about June 14, 1999, Thompson Tractor loaned the amount of \$5,500,000.00 to Tyler Jet in accordance with HOPPER's request, by directing an electronic wire transfer of funds from its bank account to IATS's bank account at BancFirst. Actually, the amount of \$5,575,000.00 was wired, constituting an overage. These funds were wired on or about June 14, 1999, in accordance with Thompson Tractor's instructions, to IATS's bank account.

65. On or about June 14, 1999, HOPPER requested that IATS direct the wire transfer of \$5,517,799.64, which included the Thompson Tractor loan funds, from BancFirst to Bombardier. This transfer was to pay off a loan which Tyler Jet owed to Bombardier on the Falcon 20, S/N 24, which was already owned by Tyler Jet. IATS complied with this request by directing the wire transfer of funds from BancFirst on or about June 15, 1999, to Bombardier.
66. On or about June 17, 1999, BEVERLEY executed a personal guaranty agreement, guaranteeing the payment of the loan by Thompson Tractor to Tyler Jet. This guaranty was sent to Thompson Tractor by mail or other delivery service by HOPPER on or about June 21, 1999.
67. In or about early August of 1999, BEVERLEY called Froehlich and stated that the Falcon 20, S/N 24 had been sold by Tyler Jet, and requested that Thompson Tractor allow Tyler Jet to substitute another aircraft as collateral on the Thompson Tractor loan. Thompson Tractor agreed to this substitution.
68. On or about August 9, 1999, HOPPER sent a letter package to Froehlich at Thompson Tractor, enclosing a Lien Release, Aircraft Security Agreement, and Substitution Agreement, requesting that Froehlich execute the Lien Release, and requesting that Froehlich send the documents by overnight delivery to IATS.
69. Although Thompson Tractor agreed to the substitution of collateral, the substitution agreement filed on or about September 7, 1999, with the FAA had a forged signature purporting to be that of Froehlich. On or about September 15, 1999, a lien release with a false signature was filed with the FAA, purporting to release Thompson Tractor's security

interest in the Falcon 20, S/N 24. On or about September 22, 1999, a Cross-Reference-Recordation was recorded at the FAA, reflecting Thompson Tractor's security interest in the Gulfstream II, S/N 10.

70. After this initial substitution, other aircraft were also substituted as collateral for the loan. Eventually, Thompson Tractor had a recorded lien on a Gulfstream II, S/N 23 as substituted collateral.

- a. On or about November 16, 1999, HOPPER caused a letter to be sent by telephonic facsimile transmission to Thompson Tractor, requesting that Thompson Tractor execute a release of lien on the Gulfstream II, S/N 10. On or about November 17, 1999, a lien release was filed with the FAA, releasing Thompson Tractor's security interest in the Gulfstream II, S/N 10.
- b. On or about November 23, 1999, Tyler Jet purchased from Lockheed Martin a Gulfstream III, S/N 404. On or about this same date, Tyler Jet sold this aircraft to USA Aviation, by arranging for a loan from First Source Bank to USA Aviation in the amount of \$4,800,000.00. In arranging for this loan, it was represented to First Source Bank that the aircraft had been pre-sold to Thompson Tractor for \$10,300,000.00. This representation was false. It was also represented to First Source Bank that Thompson Tractor had already made a deposit on the aircraft of \$5,500,000.00. This representation was also false.
- c. On or about November 23, 1999, a representative of Tyler Jet executed a security agreement in favor of Thompson Tractor, purporting to grant Thompson Tractor a security interest in the Gulfstream III, S/N 404, and referencing the loan in the

- amount of \$5,500,000.00. This security agreement was filed with the FAA on or about December 6, 1999. On or about December 6, 1999, HOPPER sent a copy of the Security Agreement to Thompson Tractor by telephonic facsimile transmission.
- d. On or about January 7, 1999, Tyler Jet purchased the Gulfstream III, S/N 404 from USA Aviation. This purchase was funded by a loan from Boeing to Tyler Jet, in the total amount of \$10,000,000.00.
 - e. On or about February 8 and/or February 23, 2000, a security agreement signed by HOPPER and granting a security interest to Thompson Tractor in a Gulfstream II, S/N 23, was filed with the FAA.
 - f. On or about March 3, 2000, a release of Thompson Tractor's lien on the Gulfstream III, S/N 404 was filed at the FAA.
71. On or about March 3, 2000, Tyler Jet sold the Gulfstream III, S/N 404 to Jet Star, L.L.C for \$10,860,000.00. In this transaction, \$10,085,342.47 was paid to Boeing to repay its loan.
72. On or about February 3, 2000, HOPPER sent a letter by facsimile transmission to Heller Financial, enclosing a specification sheet on a Gulfstream II, S/N 23, requesting that Heller Financial make a loan in the amount of \$5,300,000.00.
73. On or about March 16, 2000, without the knowledge or agreement of Thompson Tractor, a release of lien was filed with the FAA, effectively releasing any security interest that Thompson Tractor had in the Gulfstream II, S/N 23 and any security for Thompson Tractor's loan to Tyler Jet. This release of lien had a forged signature of Froehlich. Tyler Jet did not transfer Thompson Tractor's security interest to another aircraft and Thompson Tractor did not know of or consent to the release of lien.

- a. On or about March 16, 2000, a representative of Tyler Jet executed a promissory note and a security agreement for a loan in the amount of \$5,300,000.00 from Heller Financial, and BEVERLEY executed a personal guaranty of payment for the loan and sent it to Heller Financial.
- b. On or about March 16, 2000, Heller Financial loaned \$5,300,000.00 to Tyler Jet, secured by the Gulfstream II, S/N 23.
- c. Tyler Jet never repaid the \$5,300,000.00 loan to Heller Financial, and Heller Financial eventually was forced to foreclose on the Gulfstream II, S/N 23.

Gulfstream II, S/N 256/N61TJ and Gulfstream II, S/N 103/N89TJ [Ronald Sadoff/First Source Bank/Bombardier]

74. In or about August 2000, Gulfstream agreed to acquire from the government of Saudi Arabia two Gulfstream II aircraft, described as follows:

Gulfstream II, S/N 256, and
Gulfstream II, S/N 103.

Additionally, Sogerep contracted with Gulfstream to purchase these two aircraft. BEVERLEY then agreed that Tyler Jet would purchase these two aircraft from Sogerep for the total amount of \$5,800,000.00.

Gulfstream II, S/N 256 [Ronald Sadoff/First Source Bank]

75. On or about August 24, 2000, BEVERLEY signed an agreement with Sogerep for the purchase of the Gulfstream II, S/N 256, and the Gulfstream II, S/N 103, for the total purchase price of \$5,800,000.00. On or about August 29, 2000, sales contracts were signed between Gulfstream and Sogerep and between Tyler Jet and Sogerep, for the sales of the two aircraft.
76. On or about August 29, 2000, HOPPER sent a letter by telephone facsimile transmission

from Tyler Jet's offices in Tyler, Texas, to First Source Bank requesting a loan of \$5,500,000.00 (the "Badger Air loan"). The letterhead on the faxed letter read "Badger Air, 850 South Morris Street, Fond du Lac, Wisconsin 54935;" this is the same physical address as that of Badger Liquor, a corporation in which Sadoff was a principal. Badger Air was never authorized as a corporation to utilize Badger Liquor's corporate office address in Wisconsin, and neither BEVERLEY nor HOPPER held any position with or had been an officer in Badger Liquor. HOPPER's faxed letter requested the funding of a loan for \$5,500,000.00 on the Gulfstream II, S/N 256, and was signed by HOPPER as "Secretary/Treasurer" of Badger Air. Additionally, HOPPER requested in the facsimile that First Source Bank send documents overnight to Sadoff.

77. On or about August 31, 2000, Sadoff received a loan Security Agreement for the Gulfstream II, S/N 256, executed the agreement, and returned the agreement to First Source Bank. This document was not correctly executed, and was returned to Sadoff by First Source Bank. On or about September 2, 2000, Sadoff returned or caused to be returned the properly executed Security Agreement to First Source Bank. At this point in time, Sadoff was a personal guarantor of all debt for Badger Air at First Source Bank.
78. On or about August 31, 2000, First Source Bank funded the Badger Air loan in the amount of \$5,500,000.00 and wire transferred this amount to IATS's account at BancFirst.
79. On or about August 31, 2000, HOPPER sent a letter by telephone facsimile transmission to IATS, requesting that IATS inform Gulfstream that Tyler Jet had in the escrow account \$5,800,000.00 for the purchase of the Gulfstream II, S/N 256 and the purchase of the Gulfstream II, S/N 103. In fact, as of this date, only \$5,500,000.00 had been received in the

escrow account, from the Badger Air loan by First Source Bank. In this same letter, HOPPER requested that \$600,000.00 of the Badger Air loan funds be credited to Tyler Jet's account at Citizens 1st Bank on August 31, 2000.

80. On or about August 31, 2000, in accordance with HOPPER's request, IATS directed its bank to wire transfer \$600,000.00 to Tyler Jet's account at Citizens 1st Bank, and this money was wire transferred on or about that same date in accordance with these directions.
81. On or about September 1, 2000, HOPPER sent a letter by telephone facsimile transmission to IATS, requesting that \$110,000.00 be wire transferred to Tyler Jet's account at First Source Bank. This letter referenced the Gulfstream IIs, S/Ns 103 and 256. IATS complied with HOPPER's request and directed BancFirst to wire the \$110,000.00, and the funds were wired out by BancFirst on or about September 1, 2000, to Tyler Jet's account at First Source Bank.
82. On or about September 6, 2000, IATS, at HOPPER's request, directed BancFirst to wire transfer to Tyler Jet's account at Citizens 1st Bank the sum of \$835,121.72, and BancFirst wire transferred this amount to the Tyler Jet account at Citizens 1st Bank that same date, referencing the Gulfstream IIs, S/Ns 103 and 256 on the wire transfer form.
83. On or about September 6, 2000, Gulfstream sold the Gulfstream II, S/N 256 to Sogerep, which then transferred the title that same day to Tyler Jet. Also on this same day, Tyler Jet transferred title of this aircraft to Badger Air.
84. On or about September 6, 2000, Gulfstream and Sogerep jointly requested that IATS direct the wire transfer of escrowed loan funds as follows:

\$1,376,000.00 to Sogerep in its account in Saudi Arabia, and

\$4,424,000.00 to Gulfstream in its account in Chicago, Illinois.

The total of these sums, which constituted the combined purchase price of the Gulfstream IIs, S/Ns 103 and 256, was \$5,800,000.00. On or about September 6, 2000, IATS directed BancFirst to wire transfer the funds as Sogerep and Gulfstream requested, and on or about that same date BancFirst complied with this request.

85. On or about September 6, 2000, Tyler Jet sent a telephone facsimile transmission to IATS requesting that IATS wire \$100,000.00 to TJ Motorsports's account at Bank of America, from the Gulfstream II, S/N 256 escrow account. On or about that same date, IATS directed BancFirst to wire the funds as Tyler Jet requested, and BancFirst complied.
86. On or about February 3, 1994, Badger Air, Inc., was incorporated in the State of Delaware, with Sadoff named as its initial director. On or about September 7, 2000, HOPPER, without Sadoff's knowledge or consent, sent a communication to the office of the Delaware Secretary of State, requesting that the corporate charter be reinstated. HOPPER signed this facsimile transmission as the "Chief Financial Officer" of Badger Air. On or about July 7, 2000, the Secretary of State of Delaware had revoked Badger Air's corporate charter for failure to pay its franchise taxes. The Delaware Secretary of State's office then restored the corporate charter of "Badger Air, Inc." in accordance with HOPPER's request, but without Sadoff's knowledge or consent. On or about January 18, 2001, in a document filed with the Delaware Secretary of State's office, BEVERLEY was identified as Badger Air's President and HOPPER was identified as its Secretary for the year 2000.
87. On or about September 15, 2000, at the request of HOPPER, IATS wire transferred \$150,000.00, through BancFirst, to Tyler Jet's bank account at Citizens 1st Bank.

88. On or about September 18, 2000, IATS transferred \$1,750,000.00 from the Gulfstream IIs, S/Ns 103 and 256 escrowed loan funds by an accounting entry to an escrow account for a Falcon 10, S/N 41, tail number N116DD. On or about that same date, IATS caused this sum along with other funds to be wire transferred to Bombardier's bank account at First National Bank of Chicago, to pay off the balance Tyler Jet owed on the Falcon 10, S/N 41.

Gulfstream II, S/N 103 [Bombardier]

89. On or about December 4, 1996, BEVERLEY signed an "Outline of Principal Terms for a Financing Facility to Tyler Jet," stating that the purpose of the lending relationship with Bombardier was to finance Tyler Jet's "acquisition cost of used aircraft." This Outline also required Tyler Jet to provide Bombardier with "a summary of the acquisition costs, proposed work scope/refurbishment costs, and proposed retail selling price for the Aircraft" which Tyler Jet intended to purchase.
90. On or about January 29, 1997, under the name of Tyler Jet, BEVERLEY signed an "Aircraft Floor Plan Credit Agreement" with Bombardier. This agreement stated that "[t]he proceeds of the Line of Credit shall be used exclusively to provide inventory financing to pay Borrower's acquisition cost of Aircraft purchased for resale."
91. On or about August 30, 2000, HOPPER sent a letter by telephone facsimile transmission to Bombardier requesting a loan in the amount of \$5,000,000.00 for the Gulfstream II, S/N 103. This letter stated that the "Funding Amount" was \$4,000,000.00 and allocated \$1,000,000.00 to "Interior/Maintenance." Based upon this request, representatives of Bombardier decided to loan the total amount of \$4,900,000.00 to Tyler Jet to cover the acquisition and refurbishment costs on the Gulfstream II, S/N 103.

92. On or about September 6, 2000, BEVERLEY signed an Aircraft Floor Plan Security Agreement, reflecting the agreement between Bombardier and Tyler Jet for the funding of the loan to purchase and refurbish the Gulfstream II, S/N 103. This agreement reflects that the security interest in the Gulfstream II, S/N 103 was a purchase money security agreement, and that proceeds from the loan would be for the purchase of the collateral (the Gulfstream II, S/N 103).
93. On or about September 6, 2000, BEVERLEY signed an Aircraft Inventory Financing Note for the Bombardier loan on the Gulfstream II, S/N 103, memorializing the agreement with Bombardier to loan Tyler Jet the amount of \$4,900,000.00.
94. On or about September 6, 2000, Bombardier funded the loan in the amount of \$3,845,121.72, by wire transferring this sum to IATS's escrow account at BancFirst. This amount was less than the \$4,000,000.00 that was to be used for the purchase of the aircraft, due to the fact that Bombardier netted out interest payments and late charges prior to funding the loan. \$900,000.00 of the loan, which was designated for maintenance and interior work, was withheld from initial funding by Bombardier.
95. On or about September 6, 2000, Gulfstream sold the Gulfstream II, S/N 103 to Sogerep which then transferred the title that same day to Tyler Jet.
96. On or about September 6, 2000, a registration certificate was filed with the FAA registering the Gulfstream II, S/N 103 in the name of Tyler Jet. BEVERLEY signed this certificate.
97. On or about December 28, 2000, HOPPER sent a letter by telephone facsimile to SLJC along with a portion of an estimate for work on an aircraft, and requested that a representative of SLJC create an invoice copying from the estimate, and return it to HOPPER as soon as

possible. HOPPER also directed that the bottom of the invoice should show that a \$250,000.00 deposit was required. A representative of SLJC complied with the request on or about that same date, and returned the invoice to HOPPER as HOPPER requested.

98. On or about December 28, 2000, HOPPER sent a letter by telephonic facsimile transmission to Bombardier requesting an additional \$250,000.00 on the Bombardier loan based on the Gulfstream II, S/N 103, purportedly for "Avionics upgrades on the above referenced aircraft [the Gulfstream II, S/N 103]". HOPPER attached to his letter a portion of the SLJC invoice he received from SLJC on or about December 28, 2000, and stated that the net proceeds could be paid directly to the vendor (SLJC).
99. On or about December 28, 2000, Bombardier, acting upon HOPPER's letter request, funded an additional \$250,000.00 on the Gulfstream II, S/N 103 loan. Of this amount, Bombardier wire transferred \$46,459.65 to SLJC's bank account. The balance of the \$250,000.00 was applied by Bombardier to outstanding late charges and interest owed by Tyler Jet to Bombardier on other loans. In fact, however, SLJC never did the work described on the invoice that HOPPER requested them to prepare on or about December 28, 2000.

Citation III, S/N 650-0057, N400PC [Donald Vecchie/Provident Bank]

100. In or about February and March, 2001, Vecchie (in Florida) and BEVERLEY participated in a series of phone calls and entered into an oral agreement for the brokered sale of a Citation III aircraft, S/N 650-0057. Essentially, they agreed that Tyler Jet would either buy the aircraft for \$4,000,000.00, or would find a buyer to purchase it for an amount in excess of \$4,000,000.00. If the aircraft was sold for over \$4,000,000.00, Tyler Jet would receive one half of any amount of purchase money over \$4,000,000.00, with the balance going to

Leisuretime.

101. On or about April 6, 2001, Kirk Woford, president of IATS, based on a conference call he participated in with Vecchie and BEVERLEY, faxed a blank bill of sale from Oklahoma City, Oklahoma to Vecchie's office in Springfield, Illinois, and requested by the fax transmission that Vecchie sign the blank bill of sale (leaving the purchaser portion of the bill of sale blank). Woford requested that Vecchie return the document to IATS by fax and by overnight delivery. At this time, Vecchie was in Key West, Florida, and his office faxed this document to Vecchie in Key West. Vecchie signed the faxed bill of sale, noting Leisuretime as the seller, but with no name filled in as the purchaser, and faxed it back to IATS on April 6, 2001.
102. Without the knowledge or agreement of Vecchie, on or about April 6, 2001, a bill of sale was filed with the FAA for the Citation III, with Leisuretime as the seller and Powerhouse as the buyer. Vecchie did not sign this bill of sale and did not authorize the sale of the aircraft to Powerhouse.
103. On or about April 9, 2001, Vecchie prepared a separate original bill of sale for the Citation III, listing the seller as Leisuretime and without a purchaser filled in, signed it and sent it by overnight delivery to the offices of IATS. On or about April 10, 2001, IATS received this bill of sale.
104. On or about April 9, 2001, Vecchie also sent a letter by facsimile transmission to BEVERLEY, requesting that BEVERLEY sign a bill of sale for the Citation III, with the purchaser left blank, for Vecchie's security.
105. On or about April 12, 2001, an Aircraft Registration Application form was filed with the

FAA, listing Powerhouse as the applicant for registration of the Citation III. This form was dated April 11, 2001, and was signed by BEVERLEY, as the president of Powerhouse.

106. On or about April 11, 2001, BEVERLEY signed a Mortgage Supplement Agreement on behalf of Powerhouse, representing (among other things) that Powerhouse granted a security interest with power of sale over the Citation III to Provident Bank. By this agreement, along with other accompanying agreements, Provident Bank agreed to loan \$1,625,000.00 to Powerhouse for the purchase of the Citation III. Vecchie was not aware of this transaction and did not authorize any aspect of this arrangement or loan, or the placing of a lien on the Citation III.
107. On or about April 11, 2001, BEVERLEY caused a Funding Summary to be sent by telephonic facsimile transmission to Provident Bank. This Summary was signed by BEVERLEY as a representative of Powerhouse, and included the representation by BEVERLEY that Powerhouse had accepted delivery of the Citation III.
108. On or about April 11, 2001, HOPPER signed and caused to be transmitted to Provident Bank an Incumbency Certificate representing that he was the secretary of Powerhouse and stating that BEVERLEY was the president of the company. This Certificate was also signed by BEVERLEY as the president of Powerhouse.
109. On or about April 12, 2001, BEVERLEY signed an Amendment and Joinder Agreement as representative of Tyler Jet and Powerhouse, and signed a Mortgage Supplement # 4 as representative of Powerhouse. Additionally, he signed a Promissory Note # 4 on or about April 12, 2001, on behalf of Powerhouse and Tyler Jet. These documents referred to the Aircraft Mortgage and Security Agreement dated November 17, 1999 (as amended). Further,

on or about April 12, 2001, BEVERLEY signed an Amendment to Guaranty, effectively amending an original personal guaranty dated November 17, 1999, and personally guaranteeing the April 12, 2001, loan to Powerhouse and Tyler Jet.

110. On or about April 12, 2001, Provident Bank caused to be filed with the FAA the Amendment and Joinder Agreement and the Mortgage Supplement # 4 relating to the Citation III loan.
111. On or about April 12, 2001, Provident Bank funded the loan to Powerhouse for \$1,625,000.00, with the Citation III as collateral or security for the loan. These loaned funds were sent by electronic wire transfer from Provident Bank to IATS's bank, BancFirst.
112. On or about April 12, 2001, HOPPER requested that IATS distribute funds from the Provident Bank loan as follows:

\$1,275,000.00 to Tyler Jet's account at Citizens 1st Bank.

On or about this same date, in accordance with HOPPER's request, IATS directed BancFirst to wire out said funds and BancFirst wired said funds as requested.

113. On or about April 16, 2001, HOPPER requested that IATS distribute funds from the Provident Bank loan as follows:

\$77,500.00 to Citibank, New York City, for further credit to Ethiopian Airlines.

On or about this same date, in accordance with HOPPER's request, IATS directed BancFirst to wire out said funds and BancFirst wired said funds as requested.

114. On or about April 17, 2001, Tyler Jet requested that IATS distribute funds from the Provident Bank loan as follows:

\$272,500.00 to Tyler Jet's account at Citizens 1st Bank.

On or about this same date, in accordance with HOPPER's request, IATS directed BancFirst

to wire out said funds and BancFirst wired said funds as requested.

115. On or about April 19, 2001, Vecchie traveled to Tyler, Texas, and met with BEVERLEY, discussing their agreement related to the Citation III. BEVERLEY did not disclose the Powerhouse loan from Provident Bank. BEVERLEY and Vecchie agreed by letter on or about that same date to terms of the sale of the Citation III and the division of profits from the sale. On or about this same date, BEVERLEY signed and caused a copy of this letter agreement to be sent by telephonic facsimile transmission to Vecchie.
116. On or about August 13, 2001, in accordance with a request from Vecchie, BEVERLEY took steps to file a lien/security agreement with the FAA in the name of the Carol Jo Vecchie Memorial Foundation. Within the lien/security agreement, BEVERLEY represented that Powerhouse was the absolute owner of the legal and beneficial title to the Citation III and was in possession of the Citation III, and that the aircraft was free and clear of all liens, encumbrances, and adverse claims. BEVERLEY did not disclose to Provident Bank that the lien for the Foundation had been filed and recorded.
117. On or about August 24, 2001, BEVERLEY sent a letter by telephonic facsimile transmission to Vecchie, in which he stated that he had concealed the fact that a bank had taken the Citation III as collateral on a floor plan line and that he could not convey clear title to Vecchie for this reason.
118. On or about August 25, 2001, BEVERLEY sent a letter by telephonic facsimile transmission to Vecchie, advising, "What can I ever say or do will never be enough, with all the great things you have done for myself and Tyler Jet. I am ashamed . . . I am going to fix this problem," and stating that he was sorry.

119. On or about September 21, 2001, BEVERLEY sent a letter by telephonic facsimile transmission to Vecchie, in which he represented that he was working to resolve "these problems" and asked for time to work out the problems on the Citation III.
120. Ultimately, Powerhouse failed to make payments due on the loan to Provident Bank and Provident Bank decided to call the note due and also to exercise its right to take possession of the collateral for the note, the Citation III, S/N 650-0057. When Provident Bank made efforts to find and secure the Citation III, it discovered that the aircraft was in Vecchie's possession.

Falcon 20, S/N 289, N105TW [Titan/First Source Bank]

121. On or about March 29, 2001, Titan and Tyler Jet entered into an agreement by which Tyler Jet agreed to purchase a Falcon 20, S/N 289 from Titan for the amount of \$5,500,000.00. BEVERLEY signed the Purchase and Sale Agreement on behalf of Tyler Jet. The sales price was later reduced to the amount of \$5,225,000.00 following an inspection performed at the request of Tyler Jet. A representative of Titan also signed a Warranty Bill of Sale for the Falcon 20, S/N 289 on or about March 29, 2001.
122. In or about April of 2001, BEVERLEY placed a phone call to a representative of First Source Bank, and stated that Tyler Jet desired to purchase a Falcon 20 for the sum of \$5,900,000.00. BEVERLEY also stated to the representative of First Source Bank that Tyler Jet already had a potential buyer lined up to buy the aircraft for \$6,900,000.00. In contrast to the representations made by BEVERLEY, Tyler Jet actually purchased the aircraft for \$5,225,000.00. On or about April 26, 2002, Titan furnished IATS with wire transfer instructions for the transfer of the \$5,225,000.00 in sales proceeds.

123. Based upon the representations made by BEVERLEY, First Source Bank agreed to loan \$5,900,000.00 to Tyler Jet for the purchase of the Falcon 20, S/N 289. On or about May 3, 2001, First Source Bank approved a loan of \$5,900,000.00 to Tyler Jet for the purchase of the Falcon 20, S/N 289. On or about May 4, 2001, HOPPER authorized First Source Bank to exercise a power of attorney in order to finance \$5,900,000.00 on a Falcon 20, S/N 289. On or about this same day, by virtue of the power of attorney, First Source Bank executed an Aircraft Security Agreement and promissory note on behalf of Tyler Jet, evidencing the terms of the loan agreement for the amount of \$5,900,000.00. On or about May 4, 2001, First Source Bank wire transferred the total sum of \$5,900,000.00 to the escrow account of IATS at BancFirst, for the funding of the loan for the purchase of the Falcon 20, S/N 289.
124. On or about May 4, 2001, after receiving the \$5,900,000.00 in loan funds, in accordance with HOPPER's request, IATS caused BancFirst to wire transfer the loan funds for the Falcon 20 as follows:
- \$5,200,000.00 to "Titan Wheel,"
 - \$50,000.00 to an individual who brokered the transaction,
 - \$450,000.00 to the credit of Tyler Jet at First Source Bank (by two separate wire transfers); and
 - \$200,000.00 to the credit of Tyler Jet at Citizens 1st Bank.
125. On or about May 7, 2001, a bill of sale transferring title to the Falcon 20, S/N 289 was filed with the FAA. The bill of sale transferred title to the Falcon 20, S/N 289 to Tyler Jet, and Ralph W. Smith. On or about May 7, 2001, a certificate of registration for the Falcon 20, S/N 289 was filed with the FAA, signed Ralph W. Smith and HOPPER.
126. On or about May 31, 2001, a bill of sale transferring title to the Falcon 20, S/N 289 from Tyler Jet and Ralph W. Smith to Tyler Jet was filed with the FAA. On or about May 31,

2001, a certificate of registration was also filed with the FAA, signed by an employee of First Source Bank with power of attorney, for Tyler Jet.

Falcon 20, S/N 113, N400PG [Donald Vecchie/ First Source Bank/American Bank]

127. In early 2001, BEVERLEY and Vecchie discussed by telephone the sale of a Falcon 20, S/N 113 owned by RSI. BEVERLEY and Vecchie entered into an agreement during this phone conversation that RSI would sell the Falcon 20 to Tyler Jet, and that Tyler Jet would pay RSI \$1,000,000.00 for the Falcon 20.
128. On or about April 19, 2001, BEVERLEY and Vecchie met in Tyler, Texas and discussed a sales transaction including the Falcon 20, S/N 113 and the Citation III, S/N 650-0057. Vecchie was negotiating the sale of the Falcon 20, S/N 113 on behalf of RSI. At the meeting, Vecchie and BEVERLEY agreed that Tyler Jet would pay RSI \$1,000,000.00 for the Falcon 20, by an immediate payment of \$500,000.00 and by adding \$500,000.00 to the amount due from the sale of the Citation III, S/N 650-0057. Following this meeting, on or about April 19, 2001, Vecchie sent two letters by telephone facsimile transmission to BEVERLEY at Tyler Jet's offices, detailing his understanding of this agreement.
129. On or about April 19, 2001, an RSI representative executed a letter bill of sale, transferring title of the Falcon 20, S/N 113 to Tyler Jet.
130. Tyler Jet requested that Vecchie provide a bill of sale for the Falcon 20, S/N 113 on the FAA approved form. On or about May 23, 2001, Vecchie provided a bill of sale signed by a representative of RSI for the Falcon 20, S/N 113 to Tyler Jet.
131. On or about May 30, 2001, a bill of sale for the Falcon 20, S/N 113, transferring title from RSI to Tyler Jet, was filed with the FAA.

132. In or about May 2001, BEVERLEY entered into an agreement with a third party by which that party agreed to purchase the Falcon 20, S/N 113 for the amount of \$2,000,000.00.
133. On or about May 22, 2001, the third party purchasing the Falcon 20, S/N 113 sent a letter by telephonic facsimile transmission to First Source Bank, attaching a power of attorney authorization to allow the bank to execute the loan documents on the Falcon 20 transaction.
134. On or about May 23, 2001, the third party borrowed \$2,000,000.00 from First Source Bank to fund the purchase of the aircraft. First Source Bank was advised that this loan was part of a "larger aircraft package transaction between Tyler Jet and Don Vecchi of [RSI]," and that "[a]ll funds are being disbursed to Don Vecchi." On or about this same date, \$2,000,000.00 was wire transferred from First Source Bank to IATS's escrow account at BancFirst. This transfer of title and sales transaction was completed without Vecchie's knowledge or consent.
135. On or about May 24-May 29, 2001, HOPPER directed the distribution of the \$2,000,000.00 from the sale of the Falcon 20 and other funds combined in the IATS escrow account. The funds were distributed as follows:

- \$550,000.00 to Region's Bank,
- \$850,000.00 to Tyler Jet's account at Citizens 1st Bank,
- \$60,000.00 to Thinami,
- \$50,000.00 to Moore & Van Allen,
- \$240,000.00 to Tyler Jet's account at Citizens 1st Bank,
- \$30,000.00 to Miguel Benatar, and
- \$220,000.00 to Tyler Jet's account at Citizens 1st Bank.

RSI was not paid any of the funds from the \$2,000,000.00 received by Tyler Jet for the sale of the Falcon 20, S/N 113. Following the "sale," Tyler Jet made at least three payments on the note executed by the third party borrower.

136. In or about June 2001, Tyler Jet and the third party owner of the Falcon 20, S/N 113 agreed to switch collateral on two different aircraft loans. Tyler Jet transferred title to a Falcon 10, S/N 18 to the third party owner of the Falcon 20, S/N 113. The third party owner of the Falcon 20, S/N 113 transferred title of this aircraft to Tyler Jet. This trade of aircraft collateral did not result in additional cost or expense to either party.
137. On or about June 22, 2001, HOPPER caused a letter to be sent by telephonic facsimile transmission to American Bank of Fond du Lac, Wisconsin, without RSI's or Vecchie's knowledge or consent. In the letter, HOPPER requested a loan in the amount of \$4,000,000.00 for "purchase money interest" to be secured by the Falcon 20, S/N 113. American Bank agreed to loan the \$4,000,000.00 to Tyler Jet.
138. On or about June 27, 2001, BEVERLEY signed a bill of sale transferring title in a Falcon 10, S/N 18 from Beverley Family Ltd. to the third party owner of the Falcon 20, S/N 113. This bill of sale was later filed with the FAA.
139. On or about June 29, 2001, a bill of sale was filed with the FAA transferring title to the Falcon 20, S/N 113 from the third party owner of the Falcon 20, S/N 113 to Tyler Jet.
140. On or about June 29, 2001, an aircraft security agreement on the Falcon 20, S/N 113 was filed with the FAA, securing the \$4,000,000.00 loan from American Bank to Tyler Jet. HOPPER signed this security agreement on or about June 29, 2001.
141. On or about June 29, 2001, HOPPER signed a Business Note on behalf of Tyler Jet in the amount of \$4,000,000.00, and this note stated that the purpose of the loan was for the purchase of aircraft.
142. On or about June 29, 2001, American Bank wire transferred \$2,035,130.69 of the loan

proceeds to the escrow account of IATS. Also on or about June 29, 2001, American Bank applied \$1,964,869.31 of the \$4,000,000.00 loan to the balance outstanding on a loan secured by the Falcon 10, S/N 18, which had been owned by Beverley Family, Ltd.

143. On or about June 29, 2001, HOPPER caused a letter to be sent by telephonic facsimile transmission to IATS, directing the wiring of the funds loaned by American Bank. On or about June 29, 2001, in accordance with HOPPER's request, IATS directed its bank to wire out the funds and the bank complied with the request, wiring funds as follows:

\$175,000.00 to Tyler Jet's account at First Source Bank,
\$800,000.00 to Tyler Jet's account at Citizens 1st Bank,
\$500,000.00 to Dallas Airmotive, and
\$560,130.69 to remain at IATS in the Tyler Jet holding account.

144. Despite its loan agreement with American Bank, Tyler Jet and BEVERLEY only made two interest payments on the \$4,000,000.00 loan and eventually defaulted on the note. American Bank eventually called the note due, and collected the collateral, the Falcon 20, S/N 113, that had belonged to RSI and for which RSI had never been paid. American Bank eventually sold the Falcon 20, S/N 113 as a foreclosure of the loan obligation.

Falcon 20, S/N 202, 48TJ [SLJC/Bombardier]

145. In or about September 2000, Tyler Jet contacted Bombardier, requesting that Bombardier fund a loan to Tyler Jet in the amount of \$4,400,000.00 for the purchase and \$400,000.00 for refurbishment of a Falcon 20, S/N 202. Bombardier approved the loan in the total amount of \$4,800,000.00. As part of this loan transaction, a representative of Tyler Jet signed an Aircraft Floor Plan Security Agreement, which stated that the "Debtor warrants and represents to Secured Party that the loan evidenced by the Note is solely for business and

commercial purposes and not for personal, family, household or agricultural purposes." A representative of Tyler Jet also signed a promissory note on or about September 26, 2000, evidencing the \$4,800,000.00 loan.

146. On or about December 29, 2000, HOPPER caused correspondence to be sent by telephonic facsimile transmission to SLJC, requesting that SLJC prepare an "invoice" for work to be done on the Falcon 20, S/N 202. Attached to this telephonic facsimile transmission on Tyler Jet letterhead was a detailed description of information to be contained in the "invoice," including the type of work to be accomplished and the cost of such work (\$686,500.00 to \$688,500.00). HOPPER further requested in the correspondence that SLJC state on its "invoice" that the amount of \$500,000.00 was required as a deposit for "the installation of the above referenced items." HOPPER also requested that SLJC include its wire transfer instructions. In response, a representative of SLJC prepared the "invoice" and wire transfer instructions as HOPPER requested, and sent it to Tyler Jet's offices by telephonic facsimile transmission on or about December 29, 2000.
147. On or about December 29, 2000, HOPPER caused a document to be sent by telephonic facsimile transmission to Bombardier, requesting that Bombardier loan an additional \$500,000.00 on the Falcon 20, S/N 202. This document further indicated that BEVERLEY had a buyer for the aircraft, and that BEVERLEY had agreed to install certain equipment on the aircraft. HOPPER further stated that the \$500,000.00 could be sent directly to the vendor (*i.e.*, SLJC). In accordance with the request, on or about January 2, 2001, Bombardier approved an additional loan funding in the amount of \$500,000.00. As part of this transaction, BEVERLEY signed an Amended and Restated Aircraft Inventory Financing

Note, with an agreed total loan amount of \$4,900,000.00. This amended note stated that it was secured by the Aircraft Floor Plan Security Agreement dated the same date (September 26, 2000).

148. On or about January 2, 2001, in accordance with HOPPER's request and the amended note BEVERLEY signed, Bombardier wire transferred the sum of \$500,000.00 to SLJC for the work on the Falcon 20, S/N 202.
149. On or about January 3, 2001, HOPPER caused a document to be sent by telephonic facsimile transmission to SLJC, advising that SLJC would receive a wire transfer in the amount of \$500,000.00, and requesting that a representative of SLJC direct its bank to wire the funds to the credit of the T.J. Beverley account at Citizens 1st Bank. This document indicated that time was of the essence. In accordance with this request, on or about January 3, 2001, a representative of SLJC directed its bank, J. P. Morgan Chase Bank of Texas, to wire transfer the sum of \$500,000.00 to the ultimate benefit of the T.J. Beverley account at Citizens 1st Bank, and the funds were so wired to and received by the T.J. Beverley account at Citizens 1st Bank on or about that date.
150. In contrast to HOPPER's representations, the \$500,000.00 in additional loan funds were not used for refurbishment of the Falcon 20, S/N 202, and the work described in the HOPPER document to Bombardier dated December 29, 2000, was never performed on the Falcon 20, S/N 202 prior to the aircraft's sale in March of 2001.
151. All in violation of 18 U.S.C. § 371.

Counts 2 -14

Violation: Title 18, United States Code, Sections 1343 and 2 (wire fraud and aiding and abetting)

152. The Grand Jury realleges and incorporates by reference paragraphs 1 through 151 above into Counts 2 through 14 below, as if fully set forth therein.

153. On or about the dates listed below, in Smith County, in the Eastern District of Texas, BEVERLEY and HOPPER, Defendants herein, aided and abetted by each other and by others, both known and unknown to the Grand Jury, having knowingly devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, for purposes of executing the scheme, did transmit and cause to be transmitted in interstate commerce writings, signs, signals, and sounds, as set forth below.

ATR 42, S/N 168, N168WA [Richard Love/First Source Bank]

Count	Description	From	To
2	Telephonic facsimile transmission on or about October 8, 1999, stating that loan of \$3,000,000.00 would be financed through Love, and further stating that the initial funding of the loan would be for \$2,800,000.00 for the purchase of the ATR, and that \$200,000.00 would be held back for improvements on the aircraft, said offense affecting a financial institution.	HOPPER at Tyler Jet, Tyler, Texas.	First Source Bank, South Bend, Indiana.

Count	Description	From	To
3	Telephonic facsimile transmission on or about December 13, 1999, requesting that IATS inform USA Aviation that the \$3,000,000.00 of funds borrowed by USA Aviation was distributed as follows: \$2,800,000.00 to ARG Investment Corporation and balance of \$200,000.00 held in escrow.	HOPPER at Tyler Jet, Tyler, Texas.	IATS, Oklahoma City, Oklahoma.
4	Telephonic facsimile transmission on or about August 15, 2001, requesting that the bank approve a loan for Love for an additional \$621,510.00, to be used to make repairs on the ATR, said offense affecting a financial institution.	HOPPER at Tyler Jet, Tyler, Texas.	First Source Bank, South Bend, Indiana.

Gulfstream II, S/N 23, N7TJ [Thompson Tractor/Heller Financial]

Count	Description	From	To
5	Telephonic facsimile transmission on or about February 3, 2000, requesting a loan in the amount of \$5,300,000.00 and enclosing a specification sheet on a Gulfstream II, S/N 23.	HOPPER at Tyler Jet, Tyler, Texas.	Heller Financial, Chicago, Illinois.
6	Telephonic facsimile transmission on or about February 16, 2000, of the personal Guaranty of Payment of the Heller Financial loan in the amount of \$5,300,000.00 on the Gulfstream II, S/N 23.	BEVERLEY at Tyler Jet, Tyler, Texas.	Heller Financial, Chicago, Illinois.

Gulfstream II, S/N 256, N61TJ and Gulfstream II, S/N 103, N89TJ [Ronald Sadoff/First Source Bank/Bombardier]

Count	Description	From	To
7	Telephonic facsimile transmission on or about August 29, 2000, requesting a loan of \$5,500,000.00, said offense affecting a financial institution.	HOPPER at Tyler Jet, Tyler, Texas.	First Source Bank, South Bend, Indiana.
8	Telephonic facsimile transmission on or about August 31, 2000, requesting that IATS inform Gulfstream that Tyler Jet had in their escrow account \$5,800,000.00 for the purchase of the Gulfstream II, S/N 256 and the purchase of the Gulfstream II, S/N 103.	HOPPER at Tyler Jet, Tyler, Texas.	IATS, Oklahoma City, Oklahoma.

Citation III, S/N 650-0057, N400PC [Donald Vecchie/Provident Bank]

Count	Description	From	To
9	Telephonic facsimile transmission on or about April 11, 2001, providing a Funding Summary signed by BEVERLEY as a representative of Powerhouse and stating Powerhouse had accepted delivery of the Citation III, said offense affecting a financial institution.	BEVERLEY at Tyler Jet, Tyler, Texas.	Provident Bank, Cincinnati, Ohio.

Falcon 20, S/N 289, N105TW [Titan/First Source Bank]

Count	Description	From	To
10	Telephonic facsimile transmission on or about March 19, 2001, requesting that IATS advise Titan that there was a \$100,000.00 deposit in escrow in reference to a Falcon 20, S/N 289.	HOPPER at Tyler Jet, Tyler, Texas.	IATS, Oklahoma City, Oklahoma.
11	Telephonic facsimile transmission on or about May 4, 2001, directing IATS to distribute the loan funds, said offense affecting a financial institution.	HOPPER at Tyler Jet, Tyler, Texas.	IATS, Oklahoma City, Oklahoma.

Falcon 20, S/N 113, N400PG [Donald Vecchie/First Source Bank/American Bank]

Count	Description	From	To
12	Telephonic facsimile transmission on May 23, 2001, directing IATS to partially distribute the loan funds, said offense affecting a financial institution.	HOPPER at Tyler Jet, Tyler, Texas.	IATS, Oklahoma City, Oklahoma.
13	Telephonic facsimile transmission on or about June 22, 2001, requesting a loan in the amount of \$4,000,000.00 for "purchase money interest" to be secured by the Falcon 20, S/N 113, said offense affecting a financial institution.	HOPPER at Tyler Jet, Tyler, Texas.	American Bank, Fond du Lac, Wisconsin.

Falcon 20, S/N 202/48TJ [SLJC/Bombardier]

Count	Description	From	To
14	Telephonic facsimile transmission on or about December 29, 2000, requesting that Bombardier loan an additional \$500,000.00 on the Falcon 20, S/N 202.	HOPPER at Tyler Jet, Tyler, Texas.	Bombardier at Weston, Florida.

154. All in violation of 18 U.S.C. §§ 1343 and 2.

Counts 15-19

Violation: Title 18, United States Code, Sections
1344 and 2 (bank fraud and aiding and abetting)

155. The Grand Jury realleges and incorporates by reference paragraphs 1 through 154 above into Counts 15 through 19 below, as if fully set forth therein.

156. On or about the dates listed below, in Smith County, in the Eastern District of Texas, BEVERLEY and HOPPER, Defendants herein, aided and abetted by each other and by others, both known and unknown to the Grand Jury, devised a scheme and artifice:

- a. to defraud the below described financial institutions, the funds of which were then insured by the Federal Deposit Insurance Corporation; and
- b. to obtain moneys, funds, credits, or other property owned by or under the custody or control of the below described financial institutions, the funds of which were then insured by the Federal Deposit Insurance Corporation, by means of materially false and fraudulent pretenses, representations and promises.

It was part of the scheme and artifice that the Defendants engaged in the below described conduct:

ATR 42, S/N 168, N168WA [Richard Love/First Source Bank]

Count	Description	From	To
15	Telephonic facsimile transmission on or about October 8, 1999, stating that the loan of \$3,000,000.00 would be financed through Love, and further stating that the initial funding of the loan would be for \$2,800,000.00 for the purchase of the ATR, and that \$200,000.00 would be held back for improvements on the aircraft.	HOPPER at Tyler Jet, Tyler, Texas.	First Source Bank, South Bend, Indiana.

Count	Description	From	To
16	Telephonic facsimile transmission on or about August 15, 2001, requesting that the bank approve a loan for Love for an additional \$621,510.00, to be used to make repairs on the ATR.	HOPPER at Tyler Jet, Tyler, Texas.	First Source Bank, South Bend, Indiana.

Gulfstream II, S/N 256, N61TJ and Gulfstream II, S/N 103, N89TJ [Ronald Sadoff/First Source Bank/Bombardier]

Count	Description	From	To
17	Telephonic facsimile transmission on or about August 29, 2000, requesting a loan of \$5,500,000.00.	HOPPER at Tyler Jet, Tyler, Texas.	First Source Bank, South Bend, Indiana.

Citation III, S/N 6500057, N400PC [Donald Vecchie/Provident Bank]

Count	Description	From	To
18	Telephonic facsimile transmission on or about April 11, 2001, providing a Funding Summary signed by BEVERLEY as a representative of Powerhouse and stating Powerhouse had accepted delivery of the Citation III.	BEVERLEY at Tyler Jet, Tyler, Texas.	Provident Bank, Cincinnati, Ohio.

Falcon 20, S/N 113, N400PG [Donald Vecchie/First Source Bank/American Bank]

Count	Description	From	To
19	Telephonic facsimile transmission on or about June 22, 2001, requesting a loan in the amount of \$4,000,000.00 for "purchase money interest" to be secured by the Falcon 20, S/N 113.	HOPPER at Tyler Jet, Tyler, Texas.	American Bank, Fond du Lac, Wisconsin.

157. All in violation of 18 U.S.C. §§ 1344 and 2.

Count 20

Violation: Title 18, United States Code,
Section 1956(h) (conspiracy to engage in
monetary transactions with criminally derived
property in violation of 18 U.S.C. § 1957)

158. The Grand Jury realleges and incorporates by reference paragraphs 1 through 157 above into Count 20 below, as if fully set forth therein.

159. On or about the dates listed below, in Smith County, in the Eastern District of Texas, BEVERLEY and HOPPER, defendants herein, together and with others known and unknown to the Grand Jury, did unlawfully and knowingly combine, conspire, confederate and agree among themselves and each other to engage in monetary transactions by or through a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000.00, that is the deposit, transfer, or exchange of funds or monetary instruments in the amounts of money described below, such property having been derived from a specified unlawful activity, that is wire fraud (18 U.S.C. §1343) and bank fraud (18 U.S.C. §1344), all in violation of 18 U.S.C. §1957, as described more fully below.

A. Manner and Means of the Conspiracy

160. The Grand Jury hereby incorporates the Manner and Means section of Count 1 of this Indictment as if fully set forth herein. Additionally, the Grand Jury charges that BEVERLEY and HOPPER engaged in a conspiracy to illegally launder money obtained by materially false statements and representations made to others in the course and scope of their activities to commit wire fraud and bank fraud. This conspiracy to launder money was executed by taking funds obtained by the fraud and transferring said funds or causing said funds to be

transferred to entities other than those lawfully entitled to them. Further, funds obtained by fraud were used to pay expenses of Tyler Jet, and other entities BEVERLEY controlled. Funds obtained by fraud were also used by BEVERLEY and HOPPER to pay expenses related to a NASCAR team owned by TJ Motorsports, an entity BEVERLEY controlled. Fraudulent funds were also diverted by BEVERLEY and HOPPER to pay BEVERLEY's personal expenses, or were deposited in BEVERLEY's personal accounts or investment funds.

B. Overt Acts

ATR 42, S/N 168, N168WA [Richard Love/First Source Bank]

161. On or about October 25, 1999, First Source Bank authorized the funding of the USA Aviation loan in the total amount of \$3,000,000.00, and this sum was wire transferred from First Source Bank to IATS's bank account at BancFirst.
162. On or about October 25, 1999, HOPPER directed IATS to credit \$500,000.00 to the benefit of an aircraft escrow account "N944KM." This transfer was completed in accordance with the direction.
163. On or about October 25, 1999, HOPPER directed IATS to electronically transfer \$1,075,000.00 to ARG Investment Corporation. This transfer was completed in accordance with the direction.
164. On or about October 25, 1999, HOPPER directed IATS to electronically transfer \$1,225,000.00 of the loan proceeds to TJ Motorsports's account # 650552050 at NationsBank. This transfer was completed in accordance with the direction.
165. On or about November 24, 1999, HOPPER directed IATS to electronically transfer

\$200,000.00 to Tyler Jet account # 8440066842 at Regions Bank.

166. The following monetary transactions of fraudulently obtained funds occurred on or about the dates indicated and by the methods described, from TJ Motorsports's account # 650552050 at Bank of America:

Paragraph Number	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
167.	10/26/99	\$49,999.98; check # 6569	Kentex Motorsports Inc.
168.	10/26/99	\$29,525.00; check # 6578	Kentex Motorsports, Inc.
169.	10/27/99	\$34,000.00; intrabank transfer	T.J. Motorsports account # 659800270 at Bank of America
170.	10/28/99	\$11,035.21; check # 6645	Tex Racing Enterprises
171.	10/28/99	\$16,959.55; check # 6646	Tex Racing Enterprises
172.	10/28/99	\$50,673.41; check # 6654	Bank of America (obligations # 26, 34, 42)
173.	10/28/99	\$18,793.59; check # 6628	Principal Financial Group
174.	10/28/99	\$500,000.00; check # 2246	Tyler Jet account # 8440066842 at Regions Bank
175.	10/29/99	\$34,000.00; intrabank transfer	T.J. Motorsports account # 659800270 at Bank of America
176.	10/29/99	\$12,270.80; check # 6605	Hutcherson-Pagan Enterprises
177.	11/3/99	\$12,755.87; check # 6652	Wilwood Engineering

Paragraph Number	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
178.	11/4/99	\$13,670.10; check # 6594	Carroll Shelby Enterprises
179.	11/4/99	\$67,000.00; intrabank transfer	T.J. Motorsports account # 659800270 at Bank of America
180.	11/4/99	\$200,000.00; check # 2247	Tyler Jet account # 8440066842 at Regions Bank
181.	11/5/99	\$36,365.00; check # 6616	National Research Council Canada
182.	11/8/99	\$200,000.00; check # 2248	Tyler Jet account # 8440066842 at Regions Bank

183. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from TJ Motorsports Payroll account # 659800270 at Bank of America, pursuant to a contractual agreement with TJ Motorsports:

Paragraph Number	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
184.	10/28/99	\$35,340.45; draft	Paychex, Inc. (a payroll service)
185.	10/29/99	\$21,275.10; draft	Paychex TPS (a payroll service)
186.	11/4/99	\$24,869.36; draft	Paychex, Inc. (a payroll service)
187.	11/5/99	\$16,056.30; draft	Paychex TPS (a payroll service)

188. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from Tyler Jet account # 8440066842 at Regions Bank:

Paragraph Number	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
189.	10/27/99	\$30,000.00; check # 5059	American Bank
190.	10/27/99	\$64,000.00; check # 5072	Bombardier
191.	10/27/99	\$45,744.93; wire transfer	Allied Signal Engines
192.	10/28/99	\$39,386.41; check # 5078	American Express
193.	10/28/99	\$75,000.00; check # 5115	Beverley Family Limited Account # 8440066834 at Regions Bank
194.	11/2/99	\$25,000.00; check # 5125	T.J. Beverley Operating Account # 8440845833 at Regions Bank
195.	11/3/99	\$20,000.00; intrabank transfer	Tyler Jet account # 8440061581 at Regions Bank
196.	11/3/99	\$35,000.00; check # 5130	T.J. Beverley Operating Account # 8440845833 at Regions Bank
197.	11/3/99	\$35,000.00; check # 5133	T.J. Beverley Operating Account # 8440845833 at Regions Bank
198.	11/1/99	\$35,000.00; check # 5119	SLJC
199.	11/3/99	\$21,800.00; check # 5128	SLJC
200.	11/8/99	\$15,000.00; check # 5140	SLJC
201.	11/1/99	\$24,481.35; check # 5102	Multi Service
202.	11/3/99	\$38,541.40; check # 5071	Backstage Aviation
203.	11/10/99	\$87,649.32; check # 5126	Boeing

204. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from T.J. Beverley Operating Account # 8440845833:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
205.	11/2/99	\$15,000.00; check # 4327	Terri Beverley
206.	11/3/99	\$20,000.00; check # 4338	Beverley Family Limited Account # 8440066834, Regions Bank
207.	11/3/99	\$32,000.00; check #4331	TJB Holdings, Ltd., Payroll account # 8440066850, Regions Bank

208. On or about August 15, 2001, HOPPER sent by telephone facsimile transmission a letter to First Source Bank, requesting that the bank approve a loan for USA Aviation for an additional \$621,510.00, to be used to make repairs on the ATR.
209. On or about August 28, 2001, Love sent a letter by telephone facsimile transmission to First Source Bank and requested that \$300,000.00 be wire transferred to SLJC. This \$300,000.00 was a portion of the \$500,000.00 loan secured by USA Aviation from First Source Bank related to repairs on the ATR.
210. On or about August 28, 2001, acting upon Love's request, First Source Bank wire transferred \$300,000.00 to SLJC's bank account # 092-00006395, at Chase Bank of Texas, in Sugar Land, Texas.
211. On or about August 28, 2001, HOPPER told Tilton of SLJC in a phone conversation that

the \$280,000.00 was needed by Tyler Jet and that the funds would be returned to SLJC at a later time. Tilton requested that HOPPER provide written authorization for this transfer.

212. On or about August 28, 2001, BEVERLEY signed a letter and caused it to be sent by telephone facsimile transmission from Tyler Jet to SLJC. This facsimile requested that \$280,000.00 be wire transferred by SLJC to Tyler Jet's account at Citizens 1st Bank in Tyler, Texas.
213. Acting upon BEVERLEY's request and HOPPER's statements, Tilton caused \$280,000.00 of the \$300,000.00 that SLJC had received to be wire transferred to Tyler Jet's bank account # 70090170 at Citizens 1st Bank. BEVERLEY and HOPPER requested this transfer without the knowledge or consent of Love, USA Aviation, and First Source Bank. In contrast to HOPPER's statements, these funds were never returned.
214. On or about August 29, 2001, Tyler Jet caused \$86,250.00 to be wire transferred from its account # 70090170 at Citizens 1st Bank to Ralph and Margie Tysdal, crediting account # 6936308, at 1st National Bank of North Platte.
215. On or about August 29, 2001, Tyler Jet caused \$143,750.00 to be wire transferred from its account # 70090170 at Citizens 1st Bank to Ralph and Cody Smith, crediting CD # 373681, at Union Bank & Trust.

Gulfstream II, S/N 23, N7TJ [Thompson Tractor/Heller Financial]

216. On or about March 16, 2000, Heller Financial caused \$5,300,000.00 to be wire transferred to IATS's escrow account at BancFirst. These funds were loan proceeds from Heller Financial to Tyler Jet, and the collateral for the loan was a Gulfstream II, S/N 23.
217. The following monetary transactions of funds fraudulently obtained from Heller Financial were made on or about the dates indicated and by the methods described, from IATS's escrow account at BancFirst:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	<u>Payee</u>
218.	3/16/00	\$1,500,000.00; wire transfer	Tyler Jet account # 8440066842 at Regions Bank
219.	3/20/00	\$141,205.53; wire transfer	Garrett Aviation Service
220.	3/21/00	\$16,188.46; transfer within escrow account	IATS escrow account N395TJ
221.	3/22/00	\$200,000.00; wire transfer	SLJC
222.	3/22/00	\$500,000.00; wire transfer	Tyler Jet account # 8440066842 at Regions Bank
223.	3/23/00	\$2,000,000.00; wire transfer	Tyler Jet account # 8440066842 at Regions Bank
224.	3/23/00	\$25,106.55; wire transfer	Southwest Securities, Inc.
225.	3/27/00	\$845,185.67; transfer within escrow account	IATS applied funds to Tyler Jet's deficit at IATS

226. The following monetary transactions of fraudulently obtained funds were made on or about

the dates indicated and by the methods described, from the Tyler Jet account # 8440066842
at Regions Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
227.	3/16/00	\$32,000.00; check # 5541	TJ Beverley operating account # 8440845833 at Regions Bank
228.	3/16/00	\$20,000.00; check # 5530	SLJC
229.	3/16/00	\$110,000.00; check # 5531	Bank of America
230.	3/17/00	\$300,000.00; check # 5540	Air Group Completions, Inc.
231.	3/17/00	\$155,000.00; intrabank transfer	TJ Beverley Operating Account # 8440845833 at Regions Bank
232.	3/20/00	\$40,000.00; check # 5547	SLJC
233.	3/20/00	\$48,891.59; check # 5543	American Bank
234.	3/20/00	\$80,621.32; check # 5544	Bombardier
235.	3/22/00	\$200,000.00; check # 5559	Air Group Completions, Inc.
236.	3/22/00	\$73,826.00; check # 5538	Garrett Aviation Services
237.	3/22/00	\$57,600.00; check # 5539	Garrett Aviation Services
238.	3/22/00	\$50,000.00; check # 5561	TJ Beverley Operating Account # 8440845833 at Regions Bank
239.	3/22/00	\$40,000.00; wire transfer	TJ Motorsports Account # 659800270 at Bank of America

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
240.	3/22/00	\$200,000.00; wire transfer	TJ Motorsports Account # 650552050 at Bank of America
241.	3/24/00	\$25,000.00; wire transfer	TJ Motorsports Account # 650552050 at Bank of America
242.	3/24/00	\$1,800,000.00; check # 5569	TJ Beverley Operating Account # 8440845833 at Regions Bank

243. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from the TJ Beverley Operating Account # 8440845833 at Regions Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
244.	3/23/00	\$589,005.00; check # 4628	First Union Securities
245.	3/23/00	\$604,448.00; check # 4629	SWB Financial Services Inc.
246.	3/24/00	\$600,000.00; check # 4633	Beverley Family Ltd.

Gulfstream II, S/N 256, N61TJ and Gulfstream II, S/N 103, N89TJ [Ronald Sadoff/First Source Bank/Bombardier]

247. On or about August 31, 2000, First Source Bank funded the Badger Air loan in the amount of \$5,500,000.00 and wire transferred this amount to IATS's escrow account at BancFirst.

248. On or about September 6, 2000, Bombardier funded the loan in the amount of \$3,845,121.72,

by wire transferring this sum to IATS's escrow account at BancFirst.

249. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from the IATS escrow account at BancFirst:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
250.	8/31/00	\$600,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
251.	9/1/00	\$110,000.00; wire transfer	Tyler Jet account # 1279041 at First Source Bank
252.	9/6/00	\$4,424,000.00; wire transfer	Gulfstream
253.	9/6/00	\$1,376,000.00; wire transfer	Sogerep
254.	9/6/00	\$835,121.72; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
255.	9/6/00	\$100,000.00; wire transfer	T.J. Motorsports account # 650552050 at Bank of America
256.	9/15/00	\$150,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
257.	9/18/00	\$1,750,000.00; transfer within escrow account	Transfer within escrow account to account for a Falcon 10, S/N 41, N116DD

258. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from Tyler Jet account # 70090170 at Citizens 1st Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
259.	8/31/00	\$50,000.00; check # 5993	IATS, reference N1848S
260.	8/31/00	\$73,152.31; check # 5999	Bombardier, loan # 98157
261.	9/1/00	\$200,000.00; check # 6036	Timothy J. Beverley, account # 7009014700 at Citizens 1st Bank
262.	9/1/00	\$65,800.00; wire transfer	Avfuel Corporation
263.	9/5/00	\$29,065.41; check # 6003	USA Aviation
264.	9/5/00	\$47,391.58; check # 6004	American Bank
265.	9/5/00	\$61,250.00; check # 6006	Provident Bank, Commercial Loan Operations
266.	9/5/00	\$72,853.00; check # 6034	Falcon Insurance Agency, Inc.
267.	9/5/00	\$40,000.00; check # 6035	SLJC
268.	9/8/00	\$175,000.00; wire transfer	TJ Motorsports account # 650552050 at Bank of America
269.	9/11/00	\$14,387.25; check # 6050	Avionics Northwest, Inc.
270.	9/11/00	\$107,264.28; check # 6051	Garrett Aviation Services
271.	9/11/00	\$80,000.00; check # 6055	T.J. Beverley, account # 7009014700 at Citizens 1st Bank
272.	9/12/00	\$136,500.00; check # 6058	T.J. Beverley, account # 7009014700 at Citizens 1st Bank
273.	9/12/00	\$32,783.05; check # 6049	First Source Bank, reference note # 109750

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
274.	9/13/00	\$28,334.31; check # 6054	Honeywell, Inc.
275.	9/13/00	\$15,000.00; intrabank transfer	T.J. Beverley account # 7009014700 at Citizens 1st Bank
276.	9/14/00	\$24,031.74; check # 6068	Citizens 1st Bank
277.	9/20/00	\$15,000.00; check # 6077	SLJC
278.	9/20/00	\$15,000.00; check # 6086	T.J. Beverley, account # 7009014700 at Citizens 1st Bank

279. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from Tyler Jet account # 1279041 at First Source Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
280.	9/1/00	\$32,075.00; check # 1190	Tyler Jet account # 70090170 at Citizens 1st Bank
281.	9/5/00	\$74,150.00; check # 1192	Tyler Jet account # 70090170 at Citizens 1st Bank

282. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from TJ Motorsports account # 650552050 at Bank of America:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
283.	9/7/00	\$54,299.61; check # 2572	American Express
284.	9/7/00	\$37,500.00; check # 2574	Spitfire Aviation
285.	9/13/00	\$13,000.00; check # 2576	Hendrick Motorsports
286.	9/15/00	\$29,265.92; check # 2570	Huggins Tire Sale
287.	9/15/00	\$29,917.81; check # 7451	Tex Racing Ent.

288. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from the Timothy J. Beverley account # 70090147 at Citizens 1st Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
289.	9/1/00	\$50,000.00; check # 5063	Beverley Family, Ltd., account # 7009018800 at Citizens 1st Bank
290.	9/1/00	\$100,000.00; check # 5062	Tyler Jet; account # 7008827300 at Citizens 1st Bank
291.	9/5/00	\$15,000.00; check # 5051	Terri Beverley
292.	9/11/00	\$65,000.00; check # 5060	Beverley Family, Ltd., account # 7009018800 at Citizens 1st Bank
293.	9/12/00	\$100,000.00; check # 5099	Tyler Jet account # 7008827300 at Citizens 1st Bank

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
294.	9/12/00	\$30,000.00; check # 5061	TJB Holdings, Ltd.; account # 70090154 at Citizens 1st Bank

Citation III, S/N 650-0057, N400PC [Donald Vecchie/Provident Bank]

295. On or about April 12, 2001, Provident Bank funded the loan to Powerhouse in the amount of \$1,625,000.00, with the Citation III as collateral or security for the loan. These loaned funds were sent by electronic wire transfer from Provident Bank to IATS's bank, BancFirst.

296. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from the IATS escrow account at BancFirst:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
297.	4/12/01	\$25,000.00; wire transfer	Tyler Jet account # 1279041 at First Source Bank
298.	4/12/01	\$1,275,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
299.	4/16/01	\$77,500.00; wire transfer	Ethiopian Airlines
300.	4/17/01	\$272,500.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank

301. On or about April 13, 2001, a representative of Tyler Jet wrote a check to Wylie D. Martin in the amount of \$25,233.42 on Tyler Jet account # 1279041 at First Source Bank.

302. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from Tyler Jet's account # 70090170 at Citizens 1st Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
303.	4/12/01	\$85,000.00; intrabank transfer	Tyler Jet account # 70088273 at Citizens 1st Bank
304.	4/12/01	\$24,031.74; intrabank transfer	Citizens 1st Bank; credited on Tyler Jet loan # 53496
305.	4/13/01	\$24,127.42; check # 6676	First Source Bank; credited on loan # 109782
306.	4/13/01	\$23,335.00; check # 6678	Mountain High Aviation, L.L.C.
307.	4/13/01	\$110,000.00; check # 6675	First Source Bank, account # 1279041
308.	4/13/01	\$110,000.00; check # 6684	First Source Bank, account # 1279041
309.	4/13/01	\$149,030.14; intrabank transfer	Citizens 1st Bank; credited on Tyler Jet loan # 53762
310.	4/16/01	\$55,000.00; wire transfer	SLJC; Chase Bank of Texas account # 092-0000-6395
311.	4/16/01	\$26,898.50; check # 6679	World Wide Aircraft
312.	4/16/01	\$10,659.25; check # 6682	1st National Bank of North Platte
313.	4/16/01	\$40,000.00; check # 6700	Cypress Aviation
314.	4/17/01	\$286,892.91; check # 6699	Bombardier

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
315.	4/17/01	\$27,000.00; intrabank transfer	Timothy J. Beverley account # 70090147 at Citizens 1st Bank
316.	4/18/01	\$405,416.67; check # 6704	Provident Bank
317.	4/18/01	\$64,218.33; check # 6698	Akridge Aircraft Interiors, Inc.
318.	4/18/01	\$113,000.00; intrabank transfer	TJB Holdings, Ltd. account # 70090162 at Citizens 1st Bank
319.	4/18/01	\$10,500.00; check # 6722	Tyler Jet account # 70090204 at Citizens 1st Bank

320. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from Tyler Jet's account # 1279041 at First Source Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
321.	4/12/01	\$85,000.00; check # 1243	Tyler Jet account # 70090170 at Citizens 1st Bank
322.	4/20/01	\$78,500.00; check # 1245	Tyler Jet account # 70090170 at Citizens 1st Bank

323. On or about April 16, 2001, Tyler Jet check # 7226 in the amount of \$81,157.27, payable to Heller Financial to make a payment on the Gulfstream II, S/N 23 loan, cleared account # 70088273 at Citizens 1st Bank.

324. On or about April 18, 2001, Timothy J. Beverley check # 5456, payable to Terri Beverley in

the amount of \$15,000.00, cleared account # 70090147 at Citizens 1st Bank.

Falcon 20, S/N 289, N105TW [Titan/First Source Bank]

325. On or about May 4, 2001, First Source Bank wire transferred a total of \$5,900,000.00 to IATS's escrow account at BancFirst.

326. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from IATS's escrow account at BancFirst:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
327.	5/4/01	\$5,200,000.00; wire transfer	Titan
328.	5/4/01	\$250,000.00; wire transfer	Tyler Jet account # 1279041 at First Source Bank
329.	5/4/01	\$200,000.00; wire transfer	Tyler Jet account # 1279041 at First Source Bank
330.	5/4/01	\$200,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
331.	5/4/01	\$50,000.00; wire transfer	Curtis Aviation

332. On or about May 3, 2001, Tyler Jet check # 1249 in the amount of \$250,000.00, payable to Tyler Jet account # 70090170 at Citizens 1st Bank, cleared Tyler Jet account # 1279041 at First Source Bank.

333. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from Tyler Jet's account # 70090170 at Citizens 1st Bank:

Paragraph #	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payee
334.	5/7/01	\$37,907.71; check # 6792	Executive Tank Service
335.	5/7/01	\$12,375.82; check # 6794	Gillen & Anderson
336.	5/7/01	\$16,331.46; check # 6795	First Source Bank
337.	5/7/01	\$12,250.00; intrabank transfer	Timothy J. Beverley account # 70090147 at Citizens 1st Bank
338.	5/7/01	\$25,000.00; intrabank transfer	Beverley Family Ltd. account # 70090188 at Citizens 1st Bank
339.	5/9/01	\$15,000.00; check # 6804	Smith & Moore

Falcon 20, S/N 113, N400PG [Donald Vecchie/First Source Bank/American Bank]

340. On or about May 23, 2001, \$2,000,000.00 was wire transferred from First Source Bank to IATS's escrow account for the purchase of the Falcon 20, S/N 113.

341. The following monetary transactions of fraudulently obtained funds were made on or about the dates indicated and by the methods described, from IATS's escrow account:

Paragraph #	Date Transaction Cleared(on or about)	Amount and Type of Payment	Payee
342.	5/24/01	\$850,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
343.	5/25/01	\$240,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank
344.	5/29/01	\$220,000.00; wire transfer	Tyler Jet account # 70090170 at Citizens 1st Bank

- 345. On or about June 29, 2001, \$2,035,130.69 was wire transferred from American Bank to IATS for the purchase of the Falcon 20, S/N 113.
- 346. On or about June 29, 2001, IATS directed BancFirst to wire transfer \$800,000.00 from its escrow account to Tyler Jet account # 70090170 at Citizens 1st Bank.
- 347. All in violation of 18 U.S.C. § 1956(h).

Counts 21 - 34

Violation: Title 18, United States Code, Section 1957 and 2 (engaging in a monetary transaction with criminally derived property and aiding and abetting)

348. The Grand Jury realleges and incorporates by reference paragraphs 1 through 347 above into Counts 21 through 34 below, as if fully set forth therein.
349. On or about the dates listed below, in Smith County, in the Eastern District of Texas, BEVERLEY and HOPPER, Defendants herein, aided and abetted by each other and by others, both known and unknown to the Grand Jury, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000.00, that is the withdrawal, deposit, transfer, and exchange of funds or monetary instruments in the amounts described below, such property having been derived from a specified unlawful activity, that is wire fraud (18 U.S.C. § 1343) and bank fraud (18 U.S.C. § 1344), all in violation of 18 U.S.C. § 1957, as described more fully below.

ATR 42, S/N 168, N168WA [Richard Love/First Source Bank]

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
21	10/28/99	\$500,000.00; check # 2246	TJ Motorsports account # 650552050 at Bank of America	Tyler Jet account # 8440066842 at Regions Bank
22	11/4/99	\$200,000.00; check # 2247	TJ Motorsports account # 650552050 at Bank of America	Tyler Jet account # 8440066842 at Regions Bank

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
23	11/8/99	\$200,000.00; check # 2248	TJ Motorsports account # 650552050 at Bank of America	Tyler Jet account # 8440066842 at Regions Bank
24	8/28/01	\$280,000.00; wire transfer	SLJC	Tyler Jet account # 70090170 at Citizens 1st Bank

Gulfstream II, S/N 23, N7TJ [Thompson Tractor/Heller Financial]

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
25	3/16/00	\$1,500,000.00; wire transfer	IATS	Tyler Jet account # 8440066842 at Regions Bank
26	3/16/00	\$110,000.00; check # 5531	Tyler Jet account # 8440066842 at Regions Bank	Bank of America
27	3/24/00	\$1,800,000.00; check # 5569	Tyler Jet account # 8440066842 at Regions Bank	TJ Beverley operating account # 8440845833 at Regions Bank

Gulfstream II, S/N 256, N61TJ and Gulfstream II, S/N 103, N89TJ [Ronald Sadoff/First Source Bank/Bombardier]

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
28	9/1/00	\$200,000.00; check # 6036	Tyler Jet account # 70090170 at Citizens 1st Bank	Timothy J. Beverley account # 7009014700 at Citizens1st Bank
29	9/5/00	\$15,000.00; check # 5051	Tyler Jet account # 7009014700 at Citizens 1st Bank	Terri Beverley

Citation III, S/N 650-0057, N400PC [Donald Vecchie/Provident Bank]

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
30	4/13/01	\$110,000.00; check # 6675	Tyler Jet account # 70090170 at Citizens 1st Bank	Tyler Jet account # 1279041 at First Source Bank
31	4/13/01	\$110,000.00; check # 6684	Tyler Jet account # 70090170 at Citizens 1st Bank	Tyler Jet account # 1279041 at First Source Bank

Falcon 20, S/N 289, N105TW [Titan/First Source Bank]

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
32	5/4/01	\$200,000.00; wire transfer	IATS	Tyler Jet account # 70090170 at Citizens 1st Bank

Falcon 20, S/N 113, N400PG [Donald Vecchie/First Source Bank/American Bank]

Count	Date Transaction Cleared (on or about)	Amount and Type of Payment	Payor	Payee
33	5/24/01	\$110,396.77 check # 6871	Tyler Jet account # 70090170 at Citizens 1st Bank	Regions Bank
34	5/24/01	\$254,109.58; check # 6872	Tyler Jet account # 70090170 at Citizens 1st Bank	Citizens 1st Bank, on loan # 53762

350. All in violation of 18 U.S.C. §§ 1957 and 2.

NOTICE OF INTENTION TO SEEK CRIMINAL FORFEITURE
Criminal Forfeiture Pursuant to 18 U.S.C. § 982(a)(1) & (a)(2)

351. As the result of committing one or more of the foregoing offenses alleged in Counts 1 through 34 of this Indictment, BEVERLEY and HOPPER, Defendants herein, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1) & (a)(2), all property, real and personal, involved in the aforementioned offenses and all property traceable to such property, including but not limited to the following:

A. MONEY JUDGEMENT

A sum of money equal to the total amount of money involved in each offense alleged in Counts 1 through 34 of this Indictment. If more than one Defendant is convicted of an offense, the Defendants so convicted are jointly and severally liable for the amount involved in such offense.

B. SUBSTITUTE ASSETS

If any of the property described above as being subject to forfeiture, as a result of any act or omission of Defendant -

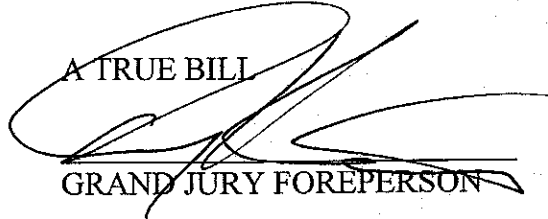
1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with a third person;
3. has been placed beyond the jurisdiction of the court;
4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b)(1), to seek forfeiture of any other property of Defendants up to the value of the above forfeitable property, including but not limited to all property, both real and personal owned by Defendants.

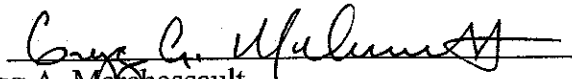
352. By virtue of the commission of the offenses alleged in Counts 1 through 34 of this

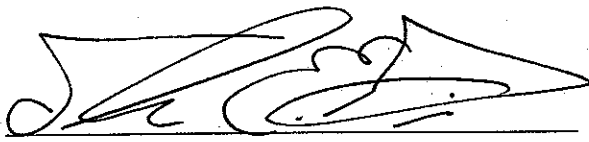
Indictment, any and all interest the Defendants have in the above-described property is vested in the United States and hereby forfeited to the United States pursuant to 18 U.S.C. § 982(a)(1) & (a)(2).

11/5/03
Date

A TRUE BILL

GRAND JURY FOREPERSON

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

UNITED STATES OF AMERICA

VS.

1. TIMOTHY J. BEVERLEY
2. GREGORY A. HOPPER

§
§
§
§
§
§

6:03CR _____
JUDGE _____

NOTICE OF PENALTY

Count 1

Violation: 18 U.S.C. § 371 (conspiracy to commit wire fraud)

Penalty: A fine of \$250,000; imprisonment for not more than five (5) years; or both;
a term of supervised release of not more than three (3) years.

Special Assessment: \$100.00

Counts 2 -14

Violation: 18 U.S.C. § 1343 (wire fraud)

Penalty: A fine of \$250,000; imprisonment for not more than five (5) years; or both; if the violation affects a financial institution, a fine of \$1,000,000; imprisonment for not more than thirty (30) years; or both;
a term of supervised release of not more than three (3) years.

Special Assessment: \$100.00

Counts 15 -19

Violation: 18 U.S.C. § 1344 (bank fraud)

Penalty: A fine not to exceed \$1,000,000; imprisonment for not more than thirty (30) years; or both;
a term of supervised release of not more than five (5) years.

Special Assessment: \$100.00

Count 20

Violation: 18 U.S.C. § 1956(h) (conspiracy to engage in monetary transactions in property derived from specified unlawful activity - wire fraud)

Penalty: A fine of \$250,000; imprisonment for not more than five (5) years; or both; if the violation affects a financial institution, a fine of \$1,000,000; imprisonment for not more than thirty (30) years; or both;
a term of supervised release of not more than three (3) years.

Special Assessment: \$100.00

Counts 21 - 34

Violation: 18 U.S.C. § 1957 (engaging in monetary transactions in property derived from specified unlawful activity - wire fraud)

Penalty: A fine of \$250,000; imprisonment for not more than ten (10) years; or both; the Court may impose as an alternate fine to that described above not more than twice the amount of the criminally derived property involved in the transaction;
a term of supervised release of not more than three (3) years.

Special Assessment: \$100.00